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THE CITY OF SAN DIEGO  
**REPORT TO THE CITY COUNCIL**

DATE ISSUED: July 25, 2007

REPORT NO: 07-124

ATTENTION: Council President and City Council  
Docket of July 30, 2007

SUBJECT: Tax Rate Ordinance for Fiscal Year 2008

REFERENCE:

REQUESTED ACTION:

Funding is appropriated in the Fiscal Year 2008 Budget for Public Safety Communication Bonds, \$2,328,948, and for Zoological Exhibits, \$8,946,525. Shall the City Council adopt an ordinance setting tax rates for Public Safety Communication Bonds and Zoological Exhibits?

STAFF RECOMMENDATION:

Adopt the Ordinance.

SUMMARY:

Public Safety Communications Bonds

On June 5, 1990, voters approved the issuance of \$25,500,000 of general obligation bonds for the Public Safety Communications Project. The project included new Police and Fire communications centers, new Police and Fire/Emergency Medical Services computer police field units and 800 megahertz radio systems. It is necessary to set a tax rate to provide sufficient funds to pay scheduled principal and annual interest payments on outstanding Public Safety Communications Bonds for capital improvements to be paid off in annual installments by Fiscal Year 2012.

Zoological Exhibits

The zoological exhibits in Balboa Park are financed from a fixed property tax levy of \$.02 per \$100 of assessed valuation mandated in the City Charter, Section 77A. Subsequent to the adoption of Charter section 77a, Section 135 of the California Revenue and Taxation Code changed the definition of assessed valuation to "full value" where it had previously been 25 percent of "full value." Pursuant to Section 135(d) of the California Revenue and Taxation Code, a conversion factor of one-fourth ( $\frac{1}{4}$ ) is applied to the tax rate, which changes the rate to \$.005 for purposes of translating the Charter Section 77a tax rates to the new definition. This rate will be applied to taxable property assessed at full value (100%) for Fiscal Year 2007-2008. The following is a comparison of Fiscal Year 2007 and Fiscal Year 2008 tax rates:

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Purpose	FY 2007 Per \$100 AV*	FY2008 Per \$100 AV*
Public Safety Communication Bonds (Fund 21640)	0.00124	0.00119
Zoological Exhibits (Fund 10222)	0.00500	0.00500

\*Assessed Valuation

The tax rate for the Public Safety Communications Bond is being reduced as the proposed tax is applied to a higher base due to the increase in assessed valuations. Amounts derived from the tax levy will be used to pay scheduled principal and annual interest payments on the bonds.

The Zoological Exhibits tax rate remains unchanged consistent with City Charter Section 77A.

The Charter of San Diego, Section 75 requires that an annual Tax Levy be adopted by ordinance no later than the last day of August of each year.

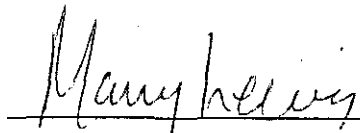
FISCAL CONSIDERATIONS:

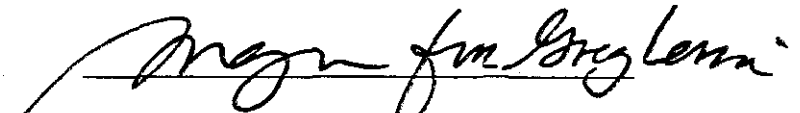
Funding is appropriated in the Fiscal Year 2008 Annual Budget for Public Safety Communication Bonds, \$2,328,948, and for Zoological Exhibits, \$8,946,525.

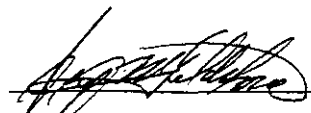
PREVIOUS COUNCIL and/or COMMITTEE ACTION: None

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS: None

KEY STAKEHOLDERS AND PROJECTED IMPACTS: None

  
 Mary Lewis  
 Financial Management Director

  
 Greg Levin  
 Comptroller

  
 Jay M. Goldstone  
 Chief Financial Officer/Interim Chief Operating Officer

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## REQUEST FOR COUNCIL ACTION

CITY OF SAN DIEGO

1. CERTIFICATE NUMBER  
(FOR AUDITOR'S USE ONLY)

TO: CITY ATTORNEY  
 2. FROM (ORIGINATING DEPARTMENT): Department of Finance- Financial Management  
 3. DATE: July 16, 2007

## 4. SUBJECT:

Fiscal Year 2008 Tax Rate Ordinance

5. PRIMARY CONTACT (NAME, PHONE, & MAIL STA.)  
 Julio Canizal 236.5932 MS 8A  
 6. SECONDARY CONTACT (NAME, PHONE, & MAIL STA.)  
 Irina Kumits 235.5714 MS 8A  
 7. CHECK BOX IF REPORT TO COUNCIL IS ATTACHED ☒

## 8. COMPLETE FOR ACCOUNTING PURPOSES

FUND	DEPT.	ORGANIZATION	OBJECT ACCOUNT	JOB ORDER	C.I.P. NUMBER	AMOUNT	9. ADDITIONAL INFORMATION / ESTIMATED COST:
							Sufficient funding is appropriated in the Fiscal Year 2008 budget. \$2,328,948 for the Public Safety Communication Bonds and \$8,946,525 for Zoological Exhibits.

## 10. ROUTING AND APPROVALS

ROUTE (#)	APPROVING AUTHORITY	APPROVAL SIGNATURE	DATE SIGNED	ROUTE (#)	APPROVING AUTHORITY	APPROVAL SIGNATURE	DATE SIGNED
1	ORIG. DEPT/ FM	<i>Mary Helling</i>	7-16-07	8	ORIG. DEPT/ FM	<i>Mary Helling</i>	7-16-07
2	EAS	<i>Alison Shawwood</i>	7-13-07	9			
3	EOCP	<i>EG</i>	7-13-07	10			
4	LIAISON OFFICE	<i>EG</i>	7/16/07	11			
5	COMPTROLLER	<i>max</i>	7/16/07				
6	CFO / <i>cow</i>	<i>[Signature]</i>	7/16/07				
7	CITY ATTORNEY	<i>[Signature]</i>	7/16/07				

DOCKET COORD: *7/16/07* COUNCIL LIAISON: *ed 7/17*  
 COUNCIL PRESIDENT ☒ SPOB ☐ CONSENT ☒ ADOPTION  
 REFER TO: \_\_\_\_\_ COUNCIL DATE: *7/30/07*

11. PREPARATION OF: ☐ RESOLUTIONS ☒ ORDINANCE(S) ☐ AGREEMENT(S) ☐ DEED(S)

Setting the tax rates and levying taxes for Public Safety Communications Bonds and Zoological Exhibits for Fiscal Year 2008.

## 11A. STAFF RECOMMENDATIONS:

Adopt the tax rate ordinance

## 12. SPECIAL CONDITIONS (REFER TO A.R. 3.20 FOR INFORMATION ON COMPLETING THIS SECTION.)

COUNCIL DISTRICT(S): NONE WITH THIS ACTION

COMMUNITY AREA(S): NONE WITH THIS ACTION

ENVIRONMENTAL IMPACT: THIS ACTION IS EXEMPT FROM CEQA PURSUANT TO SECTION 15060 (C)(3) OF STATE CEQA GUIDELINES

HOUSING IMPACT: NONE WITH THIS ACTION

OTHER ISSUES: THE CITY CHARTER, SECTION 75, REQUIRES ADOPTION OF THE ORDINANCE NO LATER THAN THE LAST DAY OF AUGUST OF EACH YEAR.

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ORDINANCE NUMBER O-\_\_\_\_\_ (NEW SERIES)

DATE OF FINAL PASSAGE \_\_\_\_\_

AN ORDINANCE FIXING THE TAX RATES AND LEVYING

TAXES FOR THE FISCAL YEAR 2007-2008

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WHEREAS, Section 75 of the Charter of the City of San Diego requires an annual tax levy adopted by ordinance not later than the last day of August of each year; and

WHEREAS, Proposition 13 approved by the voters to be effective July 1, 1978 amended the State constitution by adding Article XIII A to limit the amount of ad valorem tax on real property; and

WHEREAS, as a result of Article XIII A and the adoption of state implementing legislation, the Charter provisions related to amount of tax and process of collection have been modified and superseded; and

WHEREAS, pursuant to Article XIII A and the accompanying state legislation, the annual tax levy is limited to those certain exceptions provided for in said Article XIII A and Section 93 of the California Revenue and Taxation Code; and

WHEREAS, pursuant to the above recited provisions of law, it is required that the County of San Diego levy the annual ad valorem property tax, on the full value of said property, except as otherwise provided therein, and distribute it to the public agencies and districts within the County; NOW THEREFORE

BE IT ORDAINED, by the Council of the City of San Diego, as follows:

**Section 1.** Pursuant to the provisions of Section 75 of the Charter of the City of San Diego, Article XIII A of the State Constitution and the state legislation adopted pursuant thereto,

there is hereby fixed a rate of taxation of six hundred nineteen hundred-thousandths (0.00619%), comprised of a tax rate of 0.00500% for the Zoological Exhibits and a tax rate of 0.00119% for the Public Safety Communications Bonds, on each one hundred dollars' valuation of taxable property (full value) within the City of San Diego for the Fiscal Year 2007-2008 and that the rate is hereby levied on all taxable property, both real and personal, in the City of San Diego.

Included herein is the amount required to be levied by Section 77a of said Charter.

**Section 2.** An allowance of three and one-half percent (3.5%) for anticipated delinquencies in tax payments upon real property and improvements thereon and personal property secured, other than properties of public utilities, is hereby established.

**Section 3.** An allowance of one and eight-tenths percent (1.8%) for roll corrections and assessment appeal reductions upon real property and improvements thereon and personal property secured, other than properties of public utilities, is hereby established.

**Section 4.** The rate is computed as follows:

**TAX REQUIREMENTS FOR 2007-2008 BUDGET**

Fund Name (Number)	Fiscal Year 2007 - 2008 Expenditures	Less Fund Balance Available for FY2008 Budget	Less Delinquent Taxes and Intangibles	Less Unsecured	Total Tax for Secured Tax Levy	Secured Tax Rate on Each \$100 of Assessed Valuation
Zoological Exhibits Fund (10222)	\$8,946,525	\$1,311,522	\$229,000	\$318,986	\$7,087,017	0.00500% <sup>a</sup>
General Obligation Public Safety Communications Bond Interest & Redemption Fund (21640)	\$2,328,948	\$255,845	\$117,000	\$84,890	\$1,871,213	0.00119%
<b>TOTAL</b>	<b>\$11,275,473</b>	<b>\$1,567,367</b>	<b>\$346,000</b>	<b>\$403,876</b>	<b>\$8,958,230</b>	<b>0.00619%</b>

**Section 5.** The taxes hereby levied shall be due and payable and shall be collected at the same time and in the same manner as State and County taxes in the County of San Diego.

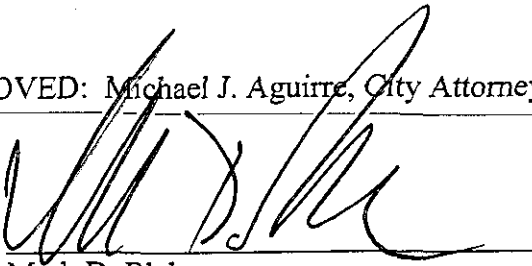
**Section 6.** That a full reading of this ordinance is dispensed with prior to passage, since a written copy was made available to the City Council and the public prior to the day of its passage.

<sup>a</sup> Section 77a of the City Charter requires a two-cent tax levy on each one hundred dollars (\$100.00) of assessed valuation. Subsequent to the adoption of Charter section 77a, Section 135 of the California Revenue and Taxation Code changed the definition of assessed valuation to "full value" where it had previously been 25 percent of "full value." Pursuant to Section 135(d) of the California Revenue and Taxation Code a conversion factor of one-fourth (1/4) is applied to the tax rate for purposes of translating the Charter Section 77a tax rates to the new definition. This rate will be applied to taxable property assessed a full value (100%) for Fiscal Year 2007-2008.

**Section 7.** This ordinance is declared to take effect immediately upon its passage,  
pursuant to the authority contained in Sections 16 and 17 of the Charter of the City of San Diego.

APPROVED: Michael J. Aguirre, City Attorney

By

  
Mark D. Blake  
Chief Deputy City Attorney

MDB:jdf

7/16/07

Or. Dept: City Auditor & Comptroller and  
Financial Management Department  
O-2008-11

I hereby certify that the foregoing Ordinance was passed by the Council of the City of San Diego, at this meeting of \_\_\_\_\_.

ELIZABETH S. MALAND  
City Clerk

By \_\_\_\_\_  
Deputy City Clerk

Approved: \_\_\_\_\_  
(date)

\_\_\_\_\_  
JERRY SANDERS, Mayor

Vetoed: \_\_\_\_\_  
(date)

\_\_\_\_\_  
JERRY SANDERS, Mayor